Section 2, *Looking Toward Our Electricity Future,* provides overall direction for Washington State electricity policy. However, for the guidelines to have concrete value, CTED must translate them into specific, measurable goals, objectives, and actions. This section describes a process for developing those specifics.

Governor Locke has directed executive branch agencies to develop specific and measurable directions for their activities. He has made this *Governing for Results* effort one of the cornerstones of his administration.[1] It recognizes that state agencies must focus their efforts in areas where they can add value, establish measurable goals and objectives, and determine progress toward those goals and objectives. The Department of Community, Trade and Economic Development (CTED) believes that this approach can provide a solid basis for its continuing work on the state Energy Strategy (SES).

This section describes four components of the process:

- Continuing the SES Process;
- A Template for Turning Directions Into Action;
- CTED's Process and Timeline; and
- Preliminary Discussion of Goals, Measures, and Actions.

Continuing the SES Process

CTED staff began the revision of the electricity sections of the 1993 Energy Strategy with the expectation that the work would be completed by the end of 2002. However, limited time and resources meant the agency was not able to get into as much depth as it would like. Development of the guiding principles and dialogue with the advisory committee also led to a much more deliberative and lengthy process than had been anticipated.

It was also recognized that energy (and especially electricity) decision making in Washington and the Northwest is a complex "scrum" of private sector, utility, association, and government interests. (See Appendix A.) Developing meaningful policy goals would require the broadest possible participation among interested stakeholders. Establishing a continuing process not only maintains involvement with advisory committee members but it also engages the public and other key interest groups (such as industrial customers).

It also became clear that meaningful goals also require accountability standards. While CTED develops specific goals and measurable objectives for all of its programs, it is only one among many in carrying out state electricity goals. All participants must develop specific goals, actions, and measures in order to have some reasonable expectation of success.

A Template for Action

During the course of the SES Advisory Committee meetings, Senator Karen Fraser suggested that we try to translate the "big picture" issues into more specific goals (objectives), measurements, and action items.[2] The other committee members agreed that her proposed template was a good approach. The shaded box on the following page describes the basic components of the template.

A Template for Turning Directions into Action

Goals and Objectives:
These are intended to translate one or more of the guiding principles into specific milestones/directions that, ideally, can be measured.

How Measured:
These measurements would generally be made up of state level indicators. These indictors fall into two major categories:

1. Macro Level Indicators – These are measures of overall performance or trends related to electricity production, use, economics, or impacts. Examples of the type of measurements could include:

- Intensity (kWh/$ of GSP)
- Price (electricity expenditure per household)
- Impacts (CO_2/Mwh)

These types of indicators provide overall information on where the state is headed. They are typically influenced by a wide range of factors many of which are outside the direct influence of the state or other policymakers. Nonetheless, they are important since they provide specific information on state electricity trends. Section 4 illustrates these types of macro-level electricity indicators.

2. Performance Indicators – These are typically a more policy or program specific indicator of performance related to a certain set of policies or actions. For example, a performance indicator for electricity security preparedness might be the percentage of electric utilities with up-to-date security plans or the evaluation results of an emergency simulation exercise.

Action Items:
A large range of implementation methods – legislation, executive action, administrative actions by state agencies, actions by other governmental units, utilities, or the private sector – are available.

CTED's Process and Timeline

Presentation of the Report (February 2003)

Report delivered to the Governor and the Senate and House Energy Committees, followed up by presentations to the Senate and House committees.

Public Outreach (Spring – Winter 2003)

CTED will further develop the SES by presenting the highlights and guiding principles to the public and key organizations throughout 2003. It will develop a public outreach strategy to receive comments and suggestions. CTED will also make extensive use of its website as an outreach tool.

Further Involvement of the Advisory Committee and Interested Parties (Spring – Winter 2003)

CTED will work with advisory committee members and other interested parties to develop action items for two to four goals. Work will be conducted through both electronic means and occasional meetings. A discussion may be convened at the September 2003 Governor's Economic Development Conference focusing on electricity, energy, and economic vitality.

Incorporation of Goals, Measures, and Actions into CTED Work Plan (Ongoing)

As the objectives, measurements, and action items are developed, they will be used to help determine CTED's work plan. The work plan will incorporate the availability of staff and other resources. In order to achieve these goals, CTED will need to collaborate with other state agencies, other units of government, the private sector, utilities, and the general public.

Preliminary Discussion of Goals, Measures, and Actions

As previously noted, there was not sufficient time to fully evaluate detailed objectives, measurements, and actions with the advisory committee, other interests, or the public.

The advisory committee generally agreed on preliminary goals in the following eight areas. They are not sufficiently developed to be considered as final recommendations or actions. As part of each preliminary goal, objectives, measurements/indicators and actions are included as examples of the types of items that might be included in an implementation plan. As noted previously, CTED expects to initially focus on two to four goal areas for further development.

I. Ensure adequate and affordable energy supplies

[Related to Guiding Principles #1, 2, 4, 6, 12]

Because this goal was quite general, some more specific objective areas have been added.

1. Electric utilities adopting and using integrated resource plans
2. Cost-effective conservation
3. Renewable energy development

Possible Measurements/Indicators:

- Reliability and adequacy measures (e.g. reserve margins, loss-of-load probability, etc.)
- Increase in resources actually on-line
- Percentage of low-income household expenditures for basic electricity/energy needs
- Percentage of utility customers in the state who are served by utilities that have developed and implemented their own integrated resource plan or are using an IRP from an organization such as BPA
- Compare state achievements to regional projections (e.g., Northwest Power Planning Council [NWPPC] numbers)
- Use current energy policy performance measure data (percentage of state electricity from non-hydro renewables)

Possible Action Items:

- Support federal funding of bill assistance and weatherization
- Continue state tax credits
- Explore ways to increase cost-based, utility-owned generation
- Examine regulatory processes to ensure that load-serving entities maintain sufficient margins
- Oppose federal efforts to impose standard market design (SMD) on the region
- Enact legislative requirement for reporting/submitting Integrated Resource Planning (IRP) (if completed) to state for summary and roll-up to state level
- Urge NWPPC to reestablish “red book” as an assessment tool
- Urge new rate designs to encourage conservation and efficiency
- Investigate demand management programs and policies
- Investigate setting appliance and equipment efficiency standards where not preempted by federal law
- Support tax incentives for conservation
- Support stable, long-term investments in conservation
- Adopt portfolio standard
- Increase tax incentives for renewables
- Support research and development for renewables
- Increase public sector purchase of renewable energy

II. Develop state policy that represents Washington’s interest on federal and regional issues

[Related to Guiding Principles #3, 11]

Four major objective areas for this are:

1. Limiting the federal role, particularly the Federal Energy Regulatory Commission, in the control of the region’s electricity transmission system – specifically SMD and Regional Transmission Organizations (RTO)
2. Representing the state’s interest in issues regarding the Bonneville Power Administration (BPA) – funding for

transmission upgrades, BPA's financial health, and long-term contracts

3. Tracking federal hydropower relicensing, most particularly those issues related to electricity production from in-state facilities
4. Representing Washington State's interests in federal energy legislation

Possible Measurements/Indicators:

- RTO West, if it goes forward, meets Washington's needs
- SMD is abandoned
- BPA signs long-term contracts that meets the needs of Washington utilities and consumers
- Federal energy legislation does not disadvantage Washington or the Northwest

Possible Action Items

- Coordinate with other states and provinces
- Research implications of national and regional policies
- Utilize Washington representation on the NWPPC

III. Expand Washington's clean energy industry

[Related to Guiding Principle #7]

Possible Measurements/Indicators:

- Number of jobs retained and created in the industry
- Number of new energy ventures encouraged by the state

Possible Action Items:

- Assist with economic development efforts
- Continue existing incentives (e.g., rural development tax credit)
- Promote and create trade opportunities for the clean energy industry
- Perform market research

IV. Implement sustainable energy practices in state government activities

[Related to Guiding Principle #7]

Possible Measurements/Indicators:

- Percentage of state agencies incorporating specific energy efficiency/renewable energy practices in their sustainability plans
- Kilowatt-hours (therms/BTUs) saved at public facilities by energy efficiency measures
- Amount of electricity from renewable energy purchased by state agencies
- Amount of combined/heat and power generated at state facilities

Possible Action Items

- Encourage implementation of agency specific sustainability plans
- Find near-term actions that can be implemented with little or no new state funds

V. Maintain and, as necessary, improve the state's [and the region's] electricity reliability and security

[Related to Guiding Principle # 9]

Possible Measurements/Indicators:

- Reliability data
- Measures of system redundancy
- Industry measures of reliability/adequacy

Possible Action Items

- Support new transmission and transmission upgrades
- Maintain emergency contingency plans and staffing
- Integrate energy and electricity infrastructure in state anti-terrorism planning

VI. Increase opportunities for the public to better understand both electricity and energy issues that affect them. Provide them the ability to contribute to the development and implementation of the state's energy vision.

[Related to Guiding Principle #10]

Possible Measurements/Indicators:

- Outreach events
- Number of participants

- Input received
- Publicity that results in media coverage
- Energy literacy as measured by surveys

Possible Action Items:

- Make presentations at community/business organizations
- Utilize website and e-mail
- Hold community forums
- Develop innovative strategy for obtaining input (deliberative polling, web site input, etc.)
- Implement media outreach plan, including additional board briefings

VII. Reduce the net effects of electricity generation and consumption on the state's air quality, water quality and quantity, fish and wildlife, and greenhouse gas profile

[Related to Guiding Principle #13]

Possible Measurements/Indicators:

- Compare figures to 2002 baseline for each area

Possible Action Items:

- Adopt explicit GHG standards for all new generation
- Fully implement state sustainability executive order
- Adopt air quality standards that apply to temporary generation
- Improve turbine efficiency
- Enact EFSEC environmental standards for new generation

VIII. Better understand and track capital and investment issues as they relate to electricity. Investigate policies/actions other states have undertaken to help maintain or improve electricity capital markets and availability.

[Related to Guiding Principle # 6]

Possible Measurements/Indicators:

- Utility bond ratings (absolute and changes)
- Level of infrastructure investment

Possible Action Items:

- Research actions by other states
- Review data from rating agencies
- Analyze capital investment data (conventional generation, transmission, conservation, renewables)

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[1] For additional information see http://www.governor.wa.gov/quality/quality.htm.

[2] See the November 12, 2002, memorandum from Senator Karen Fraser available at: http://www.energy.cted.wa.gov/